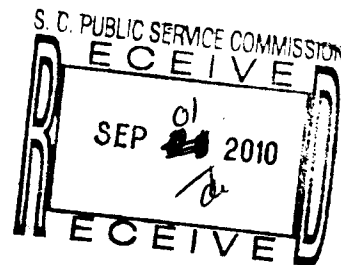


225071



August 31, 2010

Ms. Jocelyn Boyd  
Interim Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29210



Dear Ms. Boyd:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending June 30, 2010:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$2.72
6. Debt Coverage Ratio or Earnings to Fixed Charges – 5.07 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Scott Foster'.

M. Scott Foster  
Manager – PEC Regulatory & Property Accounting  
Progress Energy Service Company

c: John Flitter

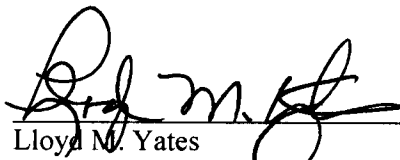
Enclosure

# CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

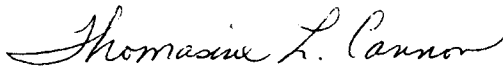


Lloyd M. Yates  
President & Chief Executive Officer  
Progress Energy Carolinas, Inc.

8/26/10

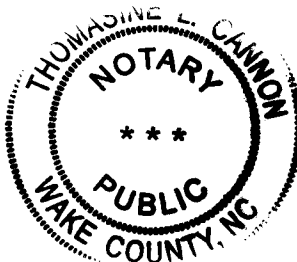
Date Signed

Subscribed and Sworn to before me this 26<sup>th</sup> day of August, 2010.



Notary Public

My Commission Expires: September 18, 2010



# CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Mark F. Mulhern  
Mark F. Mulhern  
Chief Financial Officer  
Progress Energy, Inc.

August 26, 2010  
Date Signed

Subscribed and Sworn to before me this 26<sup>th</sup> day of August, 2010

Peggy Holton  
Notary Public  
My Commission Expires: June 25, 2011

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED JUNE 30, 2010

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,757,661,076	(172,282,697)	4,585,378,379
OPERATING EXPENSE:			
NET O&M EXPENSES	3,071,791,488	(211,818,288)	2,859,973,200
DEPRECIATION	472,815,098	35,848,439	508,663,537
TAXES (OTHER THAN INCOME)	215,400,923	(2,968,513)	212,432,410
INCOME TAX - STATE	40,303,023	1,505,105	41,808,128
INCOME TAX - FEDERAL	185,312,139	(26,764,085)	158,548,054
PROV. FOR DEFERRED TAXES	120,226,915	13,237,813	133,464,728
INVESTMENT TAX CREDIT	(5,732,526)	-	(5,732,526)
TOTAL OPERATING EXPENSE	4,100,117,060	(190,959,529)	3,909,157,531
INCOME FOR RETURN:			
OPERATING INCOME	657,544,016	18,676,832	676,220,848
CUSTOMER GROWTH	2,404,436	68,295	2,472,731
INTEREST ON CUST. DEPOSITS	(5,972,985)	-	(5,972,985)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	653,975,467	18,745,127	672,720,594
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	16,528,443,970	211,923,722	16,740,367,692
PLANT HELD FOR FUTURE USE	12,179,833	-	12,179,833
RESERVE FOR DEPRECIATION	(8,777,889,515)	(38,858,189)	(8,816,747,704)
NET PLANT IN SERVICE	7,762,734,288	173,065,533	7,935,799,821
NUCLEAR FUEL INVENTORY	358,608,249	-	358,608,249
DEFERRED TAXES - LIB. DEPR.	(1,344,407,776)	152,130,343	(1,192,277,433)
REGULATORY ASSETS	649,669,544	(102,425,720)	547,243,824
WORKING CAPITAL:			
MATERIALS & SUPPLIES	713,429,906	(50,975,860)	662,454,045
CASH WORKING CAPITAL	481,437,752	-	481,437,752
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	4,744,375	-	4,744,375
TAX ACCRUALS	(50,724,412)	-	(50,724,412)
CUSTOMER DEPOSITS	(100,769,697)	-	(100,769,697)
OPERATING RESERVES	(707,380,499)	-	(707,380,499)
CUSTOMER ADVANCES FOR CONSTR.	(19,382,351)	-	(19,382,351)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	321,355,074	(50,975,860)	270,379,213
TOTAL RATE BASE	7,747,959,379	171,794,296	7,919,753,674
RATE OF RETURN (%)	8.44		8.49

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED JUNE 30, 2010

EXHIBIT A2

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	565,154,075	5,046,601	570,200,676
OPERATING EXPENSE:			
NET O&M EXPENSES	423,184,952	(10,543,448)	412,641,504
DEPRECIATION	68,517,707	4,911,956	73,429,663
TAXES (OTHER THAN INCOME)	14,937,839	114,389	15,052,228
INCOME TAX - STATE	3,285,770	946,755	4,232,525
INCOME TAX - FEDERAL	(9,572,894)	5,530,053	(4,042,841)
PROV. FOR DEFERRED TAXES	26,214,507	(5,376,089)	20,838,418
INVESTMENT TAX CREDIT	(818,451)	-	(818,451)
TOTAL OPERATING EXPENSE	525,749,430	(4,416,384)	521,333,045
INCOME FOR RETURN:			
OPERATING INCOME	39,404,645	9,462,985	48,867,631
CUSTOMER GROWTH	(7,747)	(1,860)	(9,607)
INTEREST ON CUST. DEPOSITS	(522,277)	-	(522,277)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	38,874,621	9,461,125	48,335,748
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,379,576,019	30,523,556	2,410,099,575
PLANT HELD FOR FUTURE USE	1,754,272	-	1,754,272
RESERVE FOR DEPRECIATION	(1,251,771,194)	(5,501,243)	(1,257,272,437)
NET PLANT IN SERVICE	1,129,559,097	25,022,313	1,154,581,410
NUCLEAR FUEL INVENTORY	51,729,042	-	51,729,042
DEFERRED TAXES - LIB. DEPR.	(212,251,612)	17,474,714	(194,776,898)
REGULATORY ASSETS	101,989,948	(14,752,465)	87,237,483
WORKING CAPITAL:			
MATERIALS & SUPPLIES	93,925,873	3,367,692	97,293,565
CASH WORKING CAPITAL	65,440,342	-	65,440,342
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	776,412	-	776,412
TAX ACCRUALS	(6,166,129)	-	(6,166,129)
CUSTOMER DEPOSITS	(15,473,664)	-	(15,473,664)
OPERATING RESERVES	(100,822,621)	-	(100,822,621)
CUSTOMER ADVANCES FOR CONSTR.	(2,580,733)	-	(2,580,733)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	35,099,479	3,367,692	38,467,171
TOTAL RATE BASE	1,106,125,954	31,112,253	1,137,238,207
RATE OF RETURN (%)	3.51		4.25

PROGRESS ENERGY CAROLINAS  
S.C. QUARTERLY REPORT  
S.C. RETAIL - RETURN ON COMMON EQUITY  
FOR THE TEST YEAR ENDED JUNE 30, 2010

**"PER BOOKS"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,687,692,124	41.44%	458,378,596	5.02%	23,010,606
PREFERRED STOCK	59,333,982	0.67%	7,411,044	5.56%	412,054
COMMON EQUITY	5,152,329,546	57.89%	640,336,315	2.41%	15,451,962
TOTAL CAPITALIZATION	8,899,355,652	100.00%	1,106,125,954		38,874,621

**"ADJUSTED"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,679,550,013	41.93%	476,843,980	5.02%	23,937,568
PREFERRED STOCK	59,333,982	0.68%	7,733,220	5.56%	429,967
COMMON EQUITY	5,035,931,528	57.39%	652,661,007	3.67%	23,968,213
TOTAL CAPITALIZATION	8,774,815,523	100.00%	1,137,238,207		48,335,748